


STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING						FORM 3 AMENDED REPORT <input checked="" type="checkbox"/>				
APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Croquet Fed 34-35				
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT HORSESHOE BEND				
4. TYPE OF WELL Oil Well Coalbed Methane Well: NO						5. UNIT or COMMUNITIZATION AGREEMENT NAME				
6. NAME OF OPERATOR ROSEWOOD RESOURCES INC						7. OPERATOR PHONE 435 789-0414				
8. ADDRESS OF OPERATOR PO Box 1668, Vernal, UT, 84078						9. OPERATOR E-MAIL jhenrie@rosewd.com				
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-53862			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>				
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')				
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')				
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>				
20. LOCATION OF WELL	FOOTAGES		QTR-QTR	SECTION	TOWNSHIP	RANGE	MERIDIAN			
LOCATION AT SURFACE	723 FSL 2055 FEL		SWSE	35	6.0 S	21.0 E	S			
Top of Uppermost Producing Zone	723 FSL 2055 FEL		SWSE	35	6.0 S	21.0 E	S			
At Total Depth	723 FSL 2055 FEL		SWSE	35	6.0 S	21.0 E	S			
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 723		23. NUMBER OF ACRES IN DRILLING UNIT 635					
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 1500		26. PROPOSED DEPTH MD: 8400 TVD: 8500					
27. ELEVATION - GROUND LEVEL 4754			28. BOND NUMBER MT-0627		29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-2343					
Hole, Casing, and Cement Information										
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement	Sacks	Yield	Weight
SURF	12.25	9.625	0 - 2000	32.3	H-40 ST&C	16.0	Class G	850	1.18	15.6
PROD	7.875	5.5	0 - 8400	17.0	M-80 LT&C	17.0	Class G	215	3.8	11.0
							Class G	1025	1.49	13.4
ATTACHMENTS										
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES										
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER					<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN					
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)					<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER					
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)					<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP					
NAME Jill Henrie			TITLE Administrative Assistant			PHONE 435 789-0414				
SIGNATURE			DATE 08/04/2011			EMAIL jhenrie@rosewd.com				
API NUMBER ASSIGNED 43047517930000			APPROVAL  Permit Manager							

ONSHORE ORDER NO. 1

Rosewood Resources, Inc.

Croquet Fed #34-35

723' FSL 2055' FEL

SW¼ SE ¼ Sec. 35, T6S, R21E

Uintah County, Utah

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ONSHORE OIL & GAS ORDER NO. 1

Approval of Operations on Onshore

Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Order No. 1 and the approved plan of operations. The operator is fully responsible for the actions off his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops of Important Geologic Markers

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Uintah	3,200'	+1,515
Green River	4,000'	+ 715
Wasatch	7,900'	-3,185
T.D.	8,400'	-3,685

2. Estimated Depth of Anticipated Water, Oil, Gas or Mineral Formations

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Uinta "B"	3300'-4000'
Oil	Lower Green River	6700'-7900'
Gas/Oil	Wasatch	7900'-8400'

All fresh water or prospectively valuable minerals encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment

Rosewood's minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000# psi W.P.

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Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70% of internal yield pressure rating of casing. Pressure shall be maintained for at least 10 minutes or until test requirements are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, no more than a 10% decline in pressure in a 30 minute time period will be acceptable. Valve on casinghead below test plug must be open during test.

Annular type preventers shall be tested to 50% of rated working pressure. Pressure shall be maintained at least 10 minutes or until test requirements are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. When initially installed
- b. Whenever any seal subject to test pressure is broken
- c. Following related repairs
- d. 30-day intervals

Valves shall be tested from working pressure side during BOPE tests with all downstream valves open.

When testing kill line valve(s) the check shall be held open or ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOP safety drill shall be conducted weekly for drilling crews.

Pressure tests shall apply to all related well control equipment.

All prescribed tests and or drills shall be recorded in the daily drilling log.

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BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in place until well operations are completed. Preventers will be inspected and operated at least daily to ensure good mechanical working order, this will be recorded on daily drilling report.

The BLM District Office shall be notified with sufficient lead time to have their representative on location during BOPE testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment on rigs drilling in this area utilize a 10" 3000# W.P. blowout preventer.
- b. A choke line and a kill line will be properly installed. The kill line will not be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide repeated operation of hydraulic preventers.
- d. Drill string safety valve(s) to fit all tools in the drill string will be maintained on the rig floor while drilling operations are in progress.

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones and any prospectively valuable mineral deposits. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation sufficient to handle maximum pressure to which it may be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons;

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Fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals or unusual characteristics. All indications of usable water shall be reported.

- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells.
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells.
- d. Casing collars shall have a minimum clearance of 0.422 inches on all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing shall be new or reconditioned tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the AO prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce the contamination of cement by displacement fluid. A bottom plug or other acceptable technique,

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such as a preflush fluid, inner string cement method, etc. shall be utilized to help prevent cement contamination.

- k. All casing strings below the conductor shall be tested to 0.22 psi per foot of casing length or 1500 psi, whichever is greater, but not to exceed 70% of the minimum internal yield. If pressure declines more than 10% in 30 minutes, corrective action will be taken.
- l. On all exploratory wells and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight anticipated to control the well to the next casing point. This test shall be performed before drilling more than 20' of new hole.
- m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface Or equivalent	0-2000'	12 ¼"	9 5/8"	32.3#	H-40	ST&C	New
Production Or equivalent	0-8400'	7 7/8"	5 ½"	17#	M-80	LT&C	New

- n. Casing design subject to revision based on geological conditions encountered.

- o. The cement program will be as follows:

Surface
0-2000'

Type and Amount

+/- 850 SXS Premium + 2% CaCl + ¼#
/SX Flocele + 2% Gel. Slurry Weight 15.6
PPG. Yield 1.18 ft sk.

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Production

0-8400'

Type and Amount

Lead cement:

+/- 215 SXS - 10% Excess additives =
Hifill "V" 16% Gel, 1% EX-1, 3% Salt
.2%HR-7, 10# Gilsonite, 25# SX Flocele.
Slurry weight 11 ibm gal. Yield 3.80 ft sk.

Tail Cement:

+/- 1025 SXS - 10% Excess additives =
50/50 POZ "G" 2% Gel, 3% KCL, .75%
Halad-322, .2% HR-5, .25# Flocele,
Granulite, 3# SX Silicate, .2% FWCA.
Slurry weight 13.40 ibm gal. Yield 1.49 ft
sk.

- p. Anticipated cement tops will be reported as to depth; not the expected number of cement sacks to be used. The District Office will be notified, with sufficient lead to have an AO to witness running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing shall stand idle until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the District Office within 30 days of completing work.
1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:

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- a. Setting of each string of casing, showing the size, weight, grade of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated to surface or top of cement behind casing, depth of cementing tools used, casing test method and results and the date performed. Show the Spud date on the first reports submitted.
- b. Temperature or bond logs must be submitted for each well where cement was not circulated to surface.
- s. Auxiliary equipment to be used is as follows:
 1. Kelly Cock Valve
 2. No bit float is deemed necessary.
 3. Sub with full opening valve.

5. Mud Program

- a. The proposed circulating mediums to be used during drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>
0-1000'	Air or water drill
1000'-2,000'	Fresh water CRYSTAL DRIL/Sweeps
2,000'-5,660'	2% KCl water/CRYSTAL DRIL/Sweeps
5,660-8,400'	2% KCL/IMPERMEX/SEAMUD

<u>Interval</u>	<u>Visc</u>	<u>PH</u>	<u>Mud Weight</u>
0-1000'	28-29	8.0- 8.5	8.3 – 8.5 ppg
1000'-2,000'	28-29	7.0 - 8.0	8.3 – 8.4 ppg
2,000'-5,660'	28-29	8.0- 9.5	8.6 – 8.9 ppg
5,660-8,400'	32-42	9.0 - 9.5	8.6 – 8.9 ppg

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There will be sufficient mud on location to control a kick should one occur.

A mud test will be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss and PH.

Mud monitoring equipment to be used is as follows:

- b. Periodic checks will be made each tour of the mud system. The mud level will be monitored visually.
- c. No chromate additives will be used in the mud system on Federal and/or Indian Lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed in association with the drilling of this well. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. Evaluation Program

The anticipated type and amount of testing and coring are as follows:

- a. No Drill Stem Tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

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Initial opening of DST tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the AO. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the AO. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be reversed out of the test string under controlled surface conditions. This would involve some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to run during the test shall have spark arresters or water cooled exhausts.

- b. A Litho-density, Compensated Neutron, Induction, SP, Gamma Ray, & Caliper will be run from the surface casing to T.D.
- c. No cores will be run.
- d. Whether the well is completed as a dry hole or a producer, a "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description and all pertinent information compiled during the drilling, completion and/or workover operations.
- e. The anticipated completion program will be to test prospective zones in the Green River and Wasatch Formations by perforating and fracture stimulation.

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- f. Daily drilling and completion progress reports shall be submitted to the Vernal Office on a weekly basis

7. **Abnormal Temperatures or Pressures**

- a. The expected bottom hole pressure is 3000 psi
- b. No hydrogen sulfide gas, no abnormal pressures or temperatures are anticipated.

8. **Anticipated Starting Dates and Notification of Operations**

- a. Drilling will commence upon approval.
- b. It is anticipated that the drilling of this well will take approximately 13 days.
- c. The BLM in Vernal, Utah will be notified of anticipated dates to begin road & location construction and spud date.
- d. No location will be constructed or moved without approval from the AO. If well is plugged or suspended, prior approval from the AO must be obtained and notification given before resuming operations.
- e. The spud date will be reported orally to the AO within 48 hours after spudding. If well is spud on a weekend or holiday, the report will be submitted the following regular work day. Follow oral report with Sundry Notice.
- f. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078

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- f. Immediately Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences will be promptly reported in accordance with the requirements of NTL-3A or its revision.
- g. A Completion Rig will be moved in following drilling operations. All conditions of this approved plan are applicable during the completion operations.
- h. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent via a Sundry Notice, not later than 5 days following the date the well is put on line.
- i. Pursuant to Onshore Order no. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for a permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.
- j. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day period.
- k. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9.d.), shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b.4.)

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- l. A first production conference will be scheduled within 15 days after receipt of the first production notice.
 - m. No well abandonment operations will commence without prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following abandonment operations. This report will indicate where plugs were placed and the current status of the surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or the surface managing agency.
 - n. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see their exploration, development, production and construction operations are conducted in a manner which conforms with applicable Federal, State and Local laws and regulations.
9. Air Quality Mitigation
- a. All internal combustion equipment would be kept in good working order
 - b. No open burning of garbage or refuse at well sites or other facilities would be allowed.
 - c. Drill rigs used would be equipped with Tier II or better diesel engines
 - d. Vent emissions to be reduced by use of ANARDO valves, where applicable, on all future projects.
 - e. To the extent feasible, Operator would install low or no bleed pneumatic valves on wells, separator dump valves, compressors and other controllers on all future projects.

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- f. Limit flaring on completion operations as required or recommended by applicable rules.
- g. Well site telemetry would be utilized to eliminate unnecessary pumper travel to wells.
- h. Operator will utilize zero emission dehydrators at future compressor stations if available and economically feasible.
- i. To the extent it is practical and economically feasible; the operator will centralize the use of fracing operations, water storage, production facilities and gathering systems.
- j. Solar powered chemical pumps will be used in place of pneumatic pumps on all future projects, if available and economically feasible.

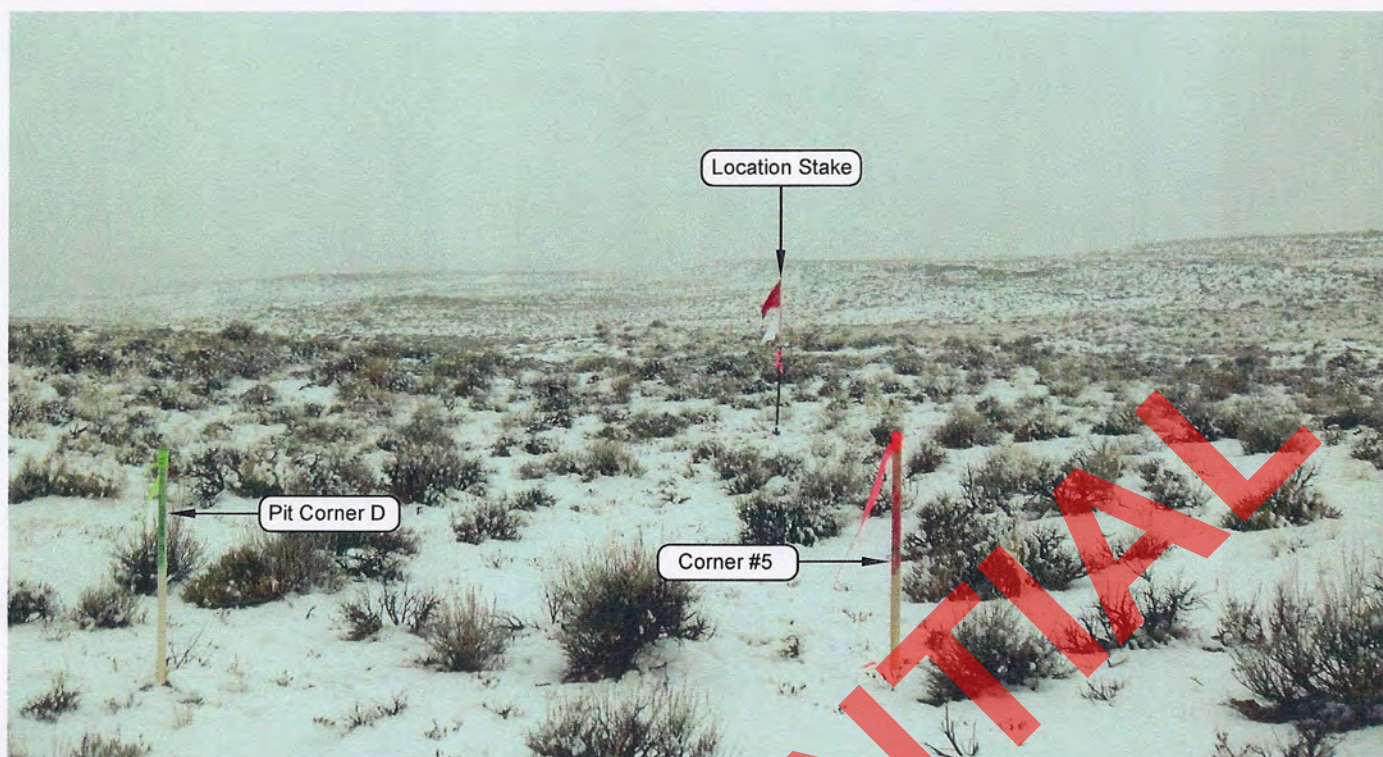


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: SOUTHWESTERLY

ROSEWOOD RESOURCES

LOCATION PHOTOS

CROQUET FED 34-35

723' FSL, 2055' FEL

SW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 35, T6S, R21E,
S.L.B.&M., UINTAH COUNTY, UTAH.

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE PHOTOS TAKEN:
12-17-10

PHOTOS TAKEN BY: M.S.B.

DATE DRAWN:
12-30-10

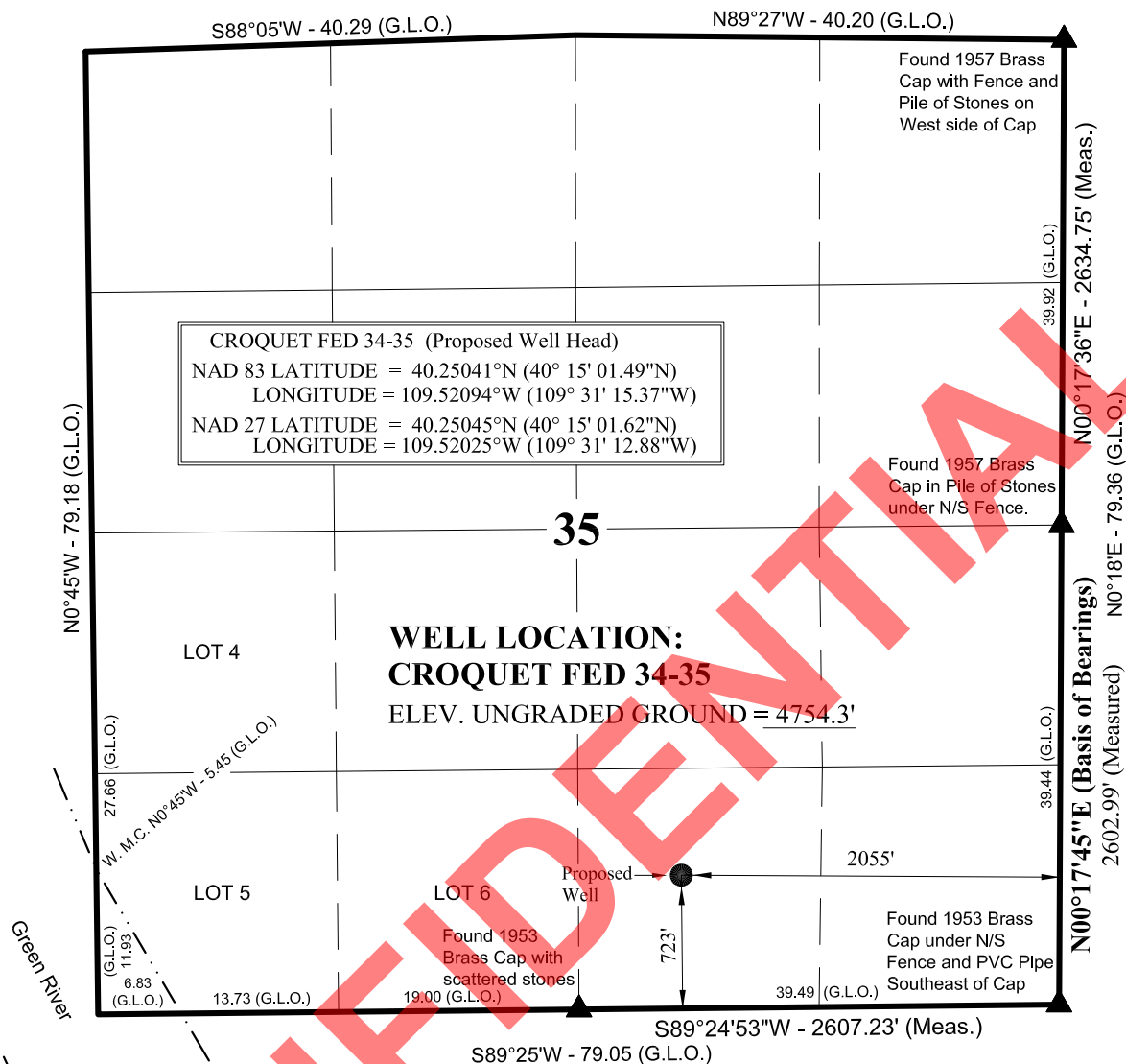
DRAWN BY: M.W.W.

Date Last Revised:

SHEET

1

OF 10

T6S, R21E, S.L.B.&M.**NOTES:**

▲ = Section Corners Located

1. Well footages are measured at right angles to the Section Lines.
2. Government Land Office (G.L.O.) distances are shown in feet or chains. 1 chain = 66 feet.
3. Bearings are based on Global Positioning Satellite observations.
4. BASIS OF ELEVATION IS TRIANGULATION STATION HORSESHOE WHICH IS LOCATED IN THE NW 1/4 OF SECTION 34, T6S, R21E, S.L.B.&M. THE ELEVATION OF THIS TRIANGULATION STATION IS SHOWN ON THE VERNAL SE 7.5 MIN. QUADRANGLE AS BEING 5222'.



SCALE

SURVEYOR'S CERTIFICATE

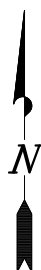
THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

PROFESSIONAL LAND SURVEYOR
REGISTRATION No. 6028691
STATE OF UTAH 1-11-11

ROSEWOOD RESOURCES**LEGAL PLAT**

CROQUET FED 34-35
723' FSL, 2055' FEL

SW 1/4 SE 1/4 OF SECTION 35, T6S, R21E,
S.L.B.&M., UTAH COUNTY, UTAH.

**TIMBERLINE**

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

DATE SURVEYED:
12-17-10

SURVEYED BY: M.S.B.

SHEET

DATE DRAWN:
12-29-10

DRAWN BY: M.W.W.

2

SCALE: 1" = 1000'

Date Last Revised:

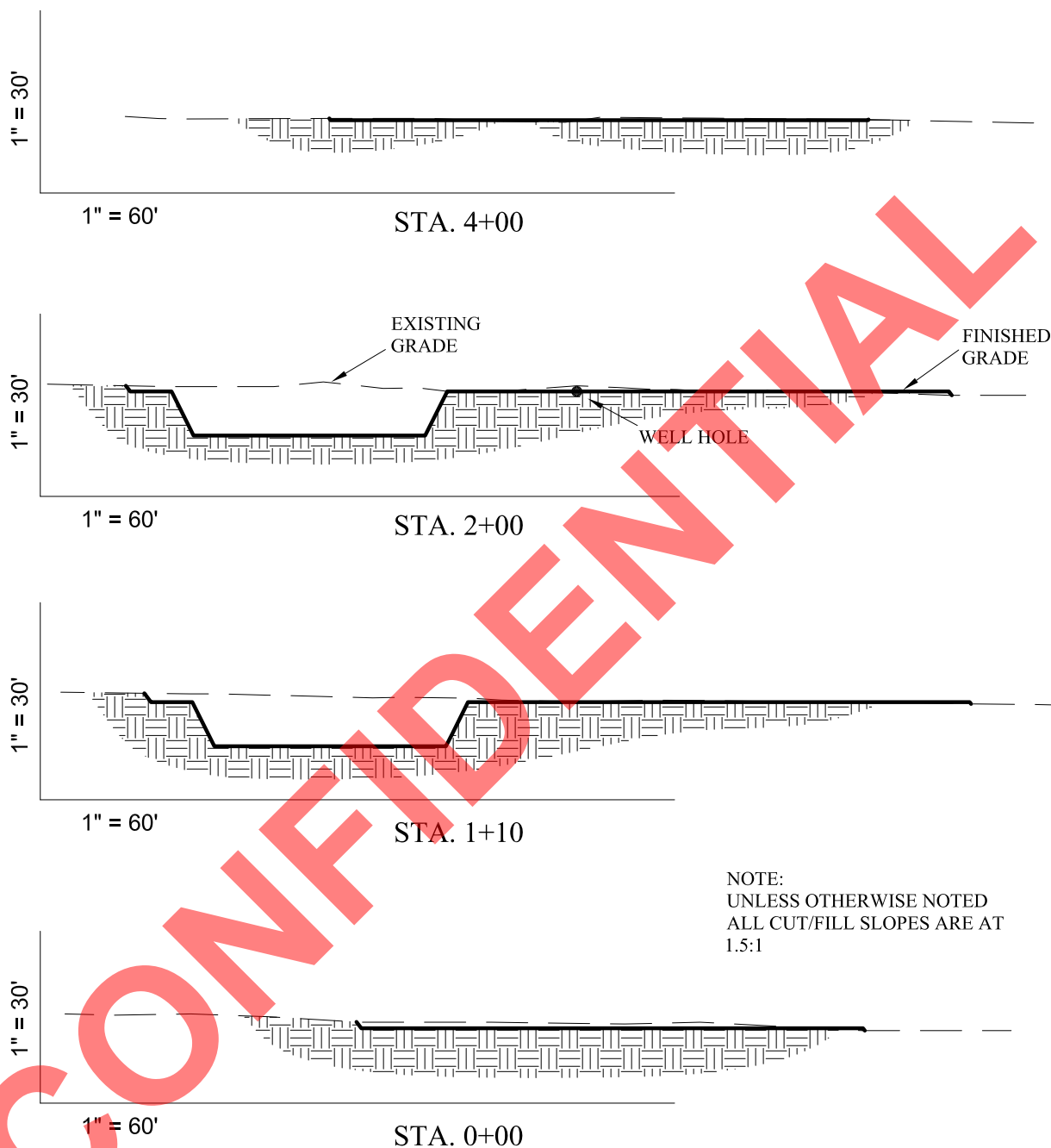
OF 10

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ROSEWOOD RESOURCES

CROSS SECTION - CROQUET FED 34-35



REFERENCE POINTS

185' SOUTHEASTERLY = 4752.6'
 235' SOUTHEASTERLY = 4752.5'
 300' SOUTHWESTERLY = 4755.2'
 250' SOUTHWESTERLY = 4754.7'

ESTIMATED EARTHWORK QUANTITIES

(No shrink or swell adjustments have been used)
 (Expressed in Cubic Yards)

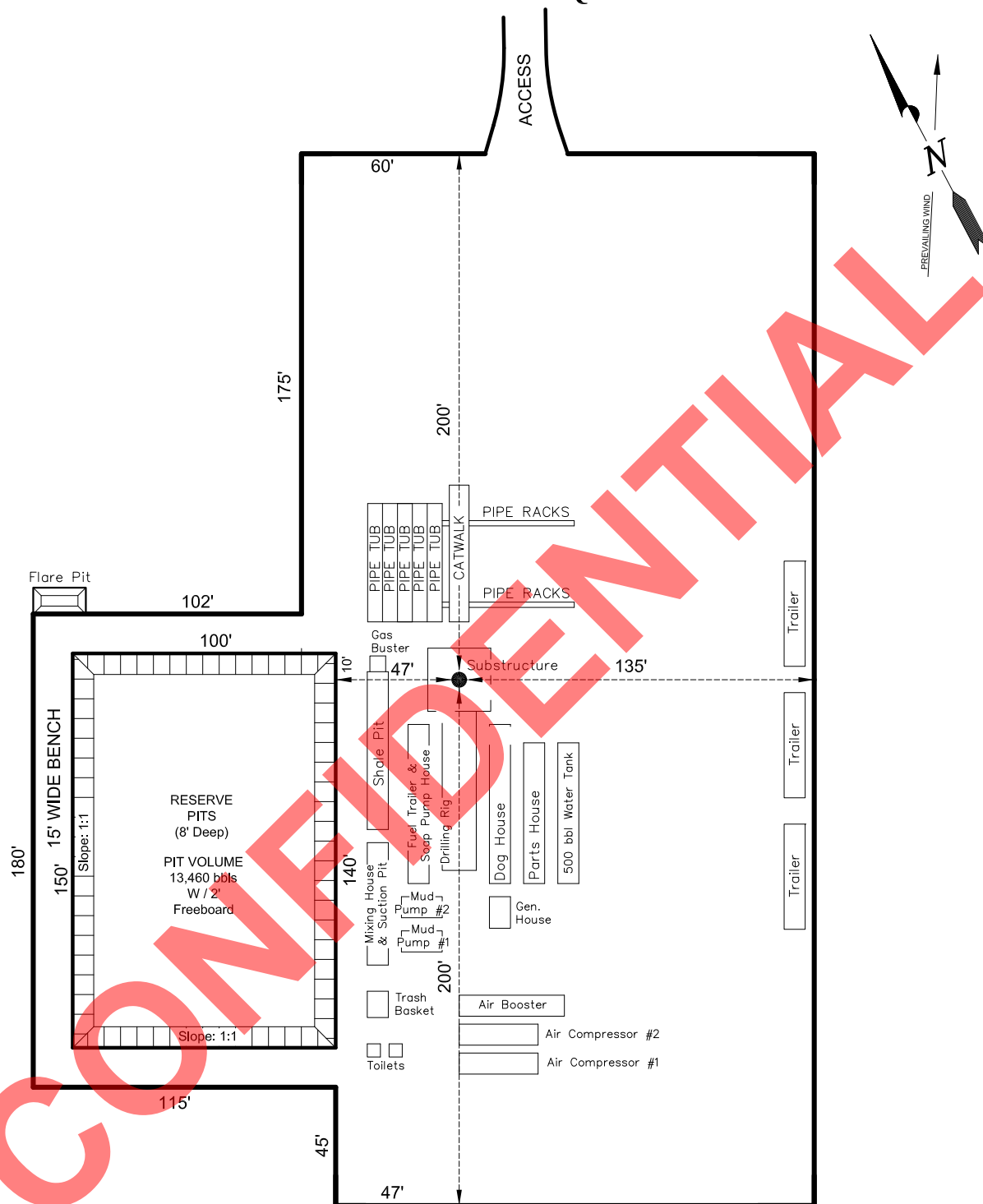
CUT: 6" Topsoil Stripping = 1,770	Excess Material = 5,640
Remaining Location = 4,740	Topsoil & Pit Backfill = 5,640 (Full Pit Volume)
TOTAL CUT = 6,510	Excess Unbalance = 0
FILL = 870	(After Rehabilitation)

Section 35, T6S, R21E, S.L.B.&M.		Qtr/Qtr Location: SW SE		Footage Location: 723' FSL & 2055' FEL	
Date Surveyed: 12-17-10	Date Drawn: 12-29-10	Date Last Revision:	TIMBERLINE ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078		SHEET 4 OF 10
Surveyed By: M.S.B.	Drawn By: M.W.W.	Scale: 1" = 60'			

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ROSEWOOD RESOURCES

TYPICAL RIG LAYOUT - CROQUET FED 34-35

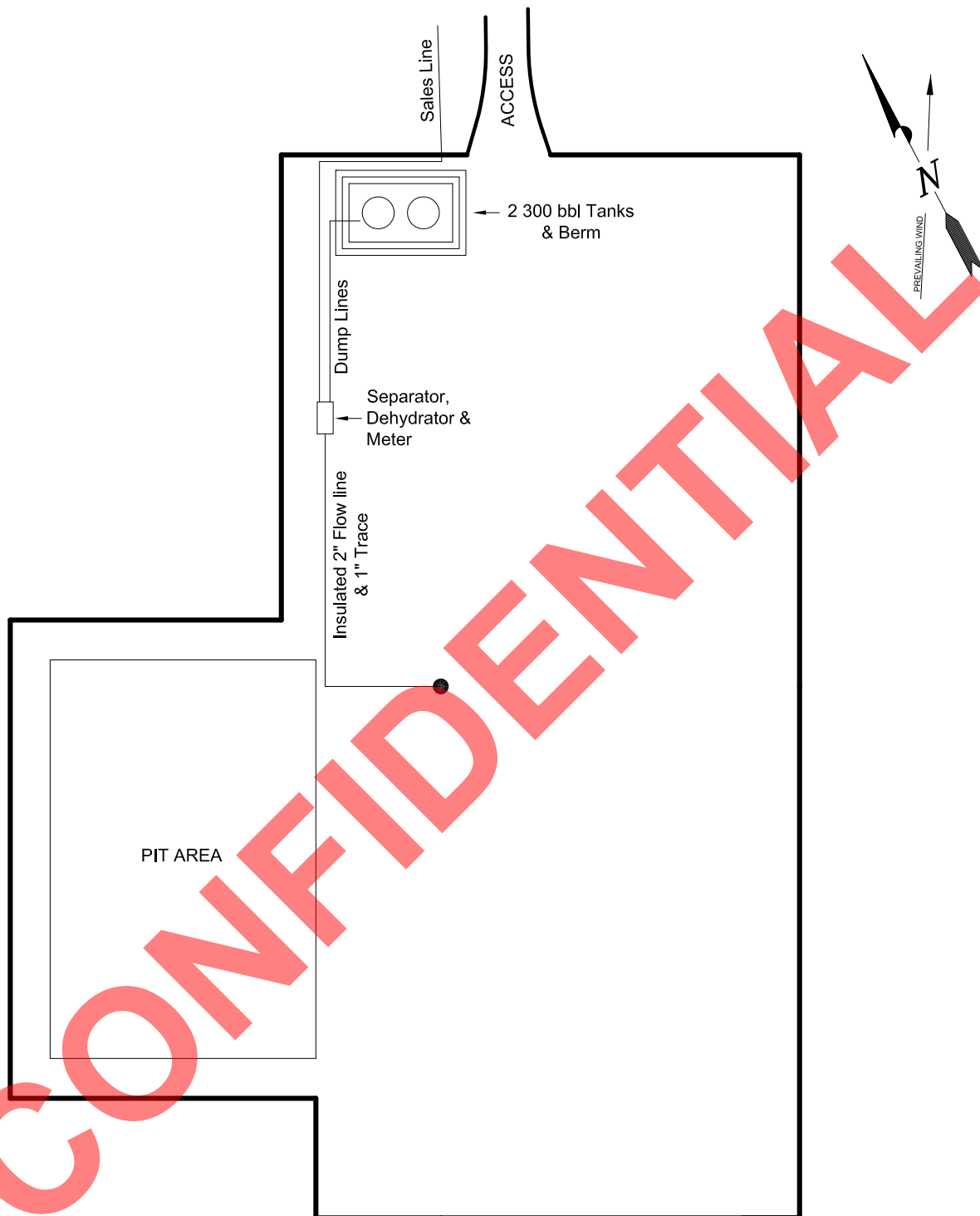


Section 35, T6S, R21E, S.L.B.&M.		Qtr/Qtr Location: SW SE		Footage Location: 723' FSL & 2055' FEL	
Date Surveyed: 12-17-10	Date Drawn: 12-29-10	Date Last Revision:	TIMBERLINE ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078	(435) 789-1365 SHEET 5 OF 10	
Surveyed By: M.S.B.	Drawn By: M.W.W.	Scale: 1" = 60'			

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ROSEWOOD RESOURCES

TYPICAL PRODUCTION LAYOUT - CROQUET FED 34-35



Section 35, T6S, R21E, S.L.B.&M.		Qtr/Qtr Location: SW SE		Footage Location: 723' FSL & 2055' FEL	
Date Surveyed: 12-17-10	Date Drawn: 12-29-10	Date Last Revision:	TIMBERLINE ENGINEERING & LAND SURVEYING, INC. 209 NORTH 300 WEST - VERNAL, UTAH 84078	(435) 789-1365 SHEET 6 OF 10	
Surveyed By: M.S.B.	Drawn By: M.W.W.	Scale: 1" = 60'			

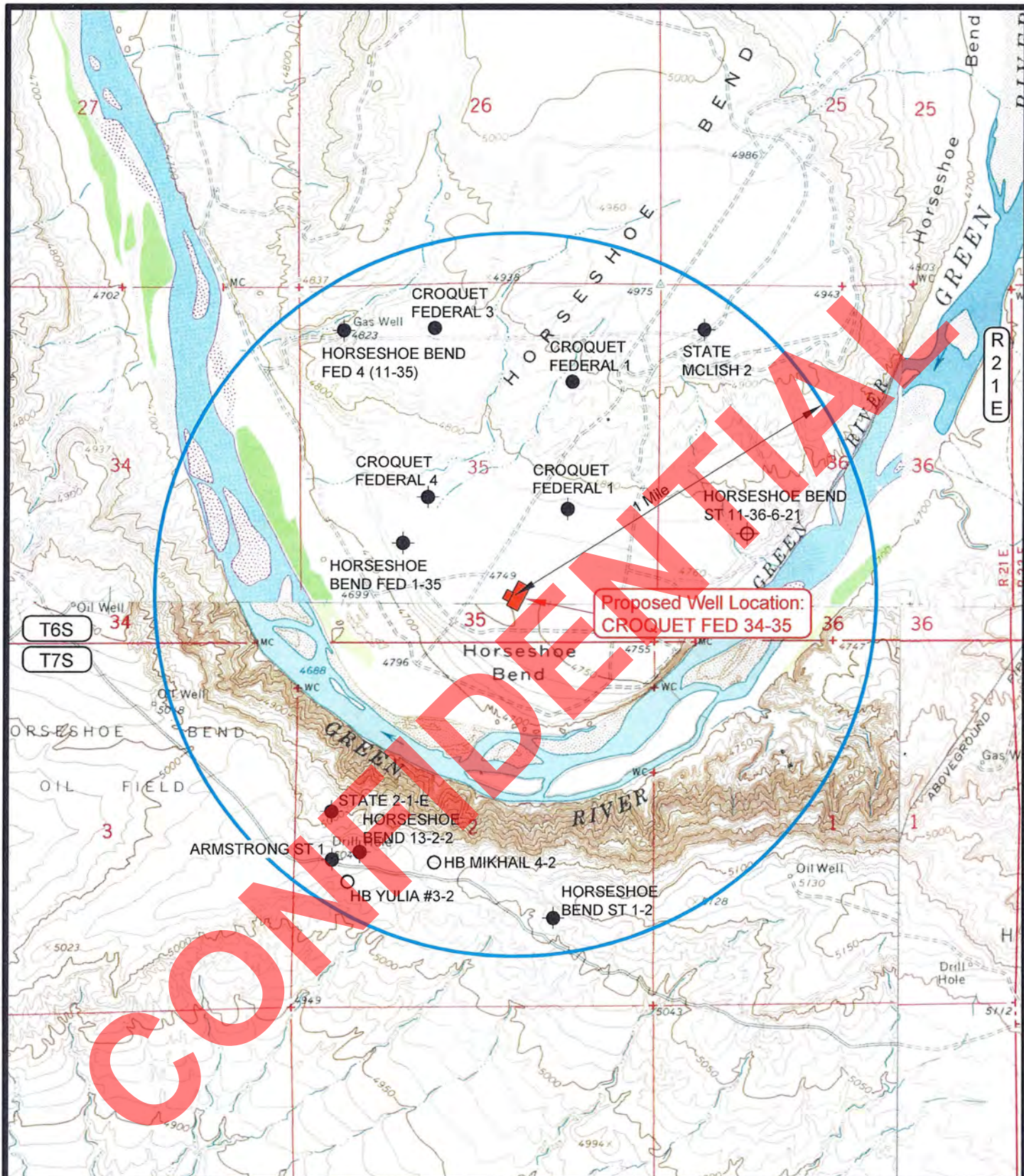
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REVISÉ:



LEGEND

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊘ = ABANDONED LOCATION

ROSEWOOD RESOURCES

CROQUET FED 34-35
SECTION 35, T6S, R21E, S.L.B.&M.
723' FSL & 2055' FEL

TOPOGRAPHIC MAP "C"

DATE SURVEYED: 12-17-10

DATE DRAWN: 12-30-10

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

TIMBERLINE

(435) 789-1365

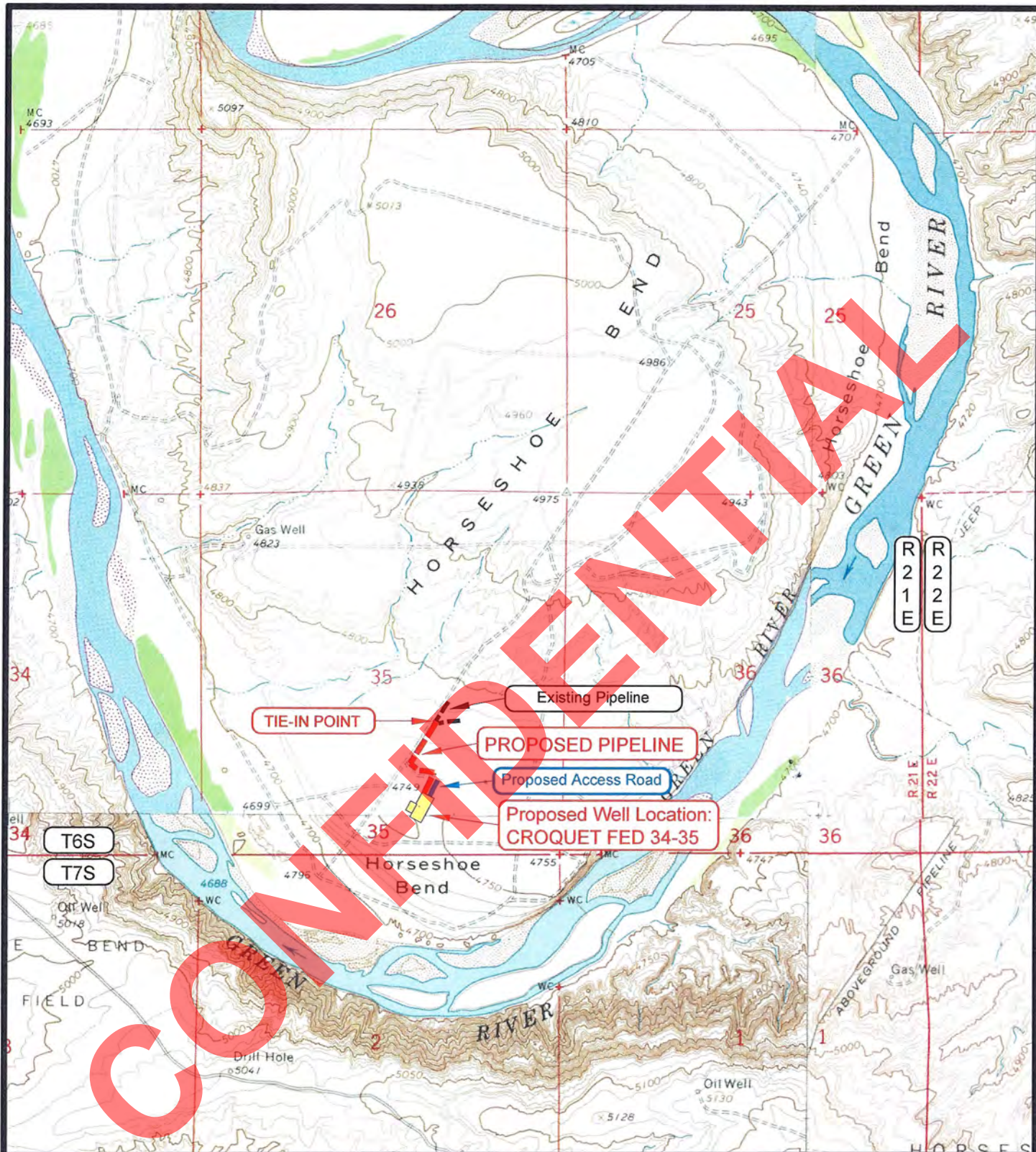
ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET

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APPROXIMATE PIPELINE LENGTH = ±1,485 FEET

LEGEND

- = PROPOSED PIPELINE
- = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

ROSEWOOD RESOURCES

CROQUET FED 34-35
SECTION 35, T6S, R21E, S.L.B.&M.
723' FSL & 2055' FEL

TOPOGRAPHIC MAP "D"

DATE SURVEYED: 12-17-10

DATE DRAWN: 12-20-10

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

REVISED:

TIMBERLINE

(435) 789-1365

ENGINEERING & LAND SURVEYING, INC.

209 NORTH 300 WEST - VERNAL, UTAH 84078

SHEET

10

OF 10

ONSHORE ORDER NO. 1
Rosewood Resources, Inc.
Croquet Fed #34-35
723' FSL 2055' FEL
SW¼ SE ¼ Sec. 35, T6S, R21E
Uintah County, Utah

CONFIDENTIAL– TIGHT HOLE

Lease No. UTU-53862

SURFACE USE PLAN

Page 1

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

Location Construction - Forty-eight (48) hours prior to construction of location and access roads.

Location Completion - Prior to moving in drilling rig.

Spud Notice - At least twenty-four (24) hours prior to spudding the well.

Casing String and - Twenty-four (24) hours prior to running casing and
Cementing cementing all casing strings.

BOPE and Related - Twenty-four (24) hours prior to initiating pressure tests.
Equipment Tests

First Production - Within five (5) business days after new well begins or production resumes after well has been off line for more than ninety (90) days.

The following individuals met on Tuesday, March 29th for the onsite evaluation of the proposed site.

James Herford	Bureau of Land Management
Bill Civish	Bureau of Land Management
Dan Emmett	Bureau of Land Management
Aaron Roe	Bureau of Land Management
Mitch Batty	Timberline Land Survey
Jill Henrie	Rosewood Resources, Inc.
Dennis Atwood	Rosewood Resources, Inc.

1. Existing roads

Total distance from Vernal, Utah to the proposed well location is approximately 17.9 miles in a southerly direction.

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SURFACE USE PLAN

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- a. From the intersection of U.S. Highway 40 and 500 East street in Vernal, Utah, proceed in an easterly then southerly direction along U.S. Highway 40 approximately 3.3 miles to the junction of State Highway 45. Exit right and proceed in a southerly direction along State Highway 45 approximately 7.0 miles to the junction of the Horseshoe Bend Road (County B Road 2390). Exit right and proceed in a southwesterly direction along the Horseshoe Bend Road approximately 7.1 miles to the intersection of a Class D County Road to the northeast. Exit left and proceed in a northeasterly direction along the Class D County Road approximately 0.4 miles to a second Class D County Road to the southeast. Exit right and proceed in a southeasterly direction along the second Class D County Road approximately 0.1 miles to the proposed access road. Follow road flags in a southwesterly direction approximately 265 feet to the proposed well pad.
- b. Improvements to the existing access (BLM and County roads) will not be necessary.
- c. For location of access roads within 2-mile radius, see Maps 7- 9.
- d. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- e. Existing roads and any newly constructed roads will be maintained in accordance with the standards of the Surface Managing Agency.

2. Planned Access Roads

- a. All existing access roads are maintained by the Operator, County Road Dept. or is a BLM road.
- b. No new roads will be required.
- c. No turnouts are planned at this time.

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- d. There are no major cuts or fills. No culverts and/or bridges will be required.
 - e. The use of surfacing material is not anticipated; however it may be necessary depending on weather conditions.
 - f. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
 - g. No cattleguards will be necessary
 - h. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. (1989)
 - i. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported or disposed of annually in association with drilling of this well.
 - j. A right-of-way encroachment application will be filed with Uintah County Road Department upon approval.
3. Location of Existing Wells within a 1-Mile Radius of the Proposed Location. See Map "B".
- a. Water wells – none
 - b. Injection wells – none
 - c. Producing wells –Croquet Federal #3, Croquet Federal #1.
 - d. Drilling wells – HB Yulia #3-2, Croquet Fed #14-35
 - e. Shut-in wells – none

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SURFACE USE PLAN

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- f. Temporarily abandoned wells – none
- g. Disposal wells –none
- h. Dry Holes – Horseshoe Bend St #11-36-6-21
- i. Abandoned wells – Horseshoe Bend Fed #4, McElish State #2, Croquet Fed #4, Horseshoe Bend 1-35, State 2-1-E, Armstrong St #1, Horseshoe Bend St #1-2, Horseshoe Bend St #13-2-2

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including Pumping Units) will be painted Covert Green. All facilities will be painted within six months of installation. Facilities required to comply with Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, they will be surrounded by a containment dike of sufficient capacity to contain 1 ½ times the contents of the largest tank or vessel, unless more stringent protective requirements are deemed necessary by the AO.
- c. At the time of production, a Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. All load lines will be placed inside the containment dike.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead, to the meter. Meter runs will be housed and/or fenced.

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- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and on all future calibrations. A copy of the calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform to Onshore Oil and Gas Order No. 5 for natural gas measurement.
- g. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contradiction in the unit or other lease or boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the AO.
- h. Any necessary pits will be properly fenced to prevent wildlife entry.
- i. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- j. All off-lease storage, off-lease measurement or commingling on-lease or off-lease will have prior approval from the District Manager.
- k. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe and useable condition.
- l. The pipeline will be within +/-1485' from the well-site to the tie-in point and will be constructed of welded steel. It will be 3" in diameter, laid on surface.

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5. Location and Type of Water Supply

- a. The proposed water source for this well will be provided by Tu and Frum Inc. 7485 S Hwy 87 Kenny Sutton 738-3990.
- b. Water will be hauled over the roads shown on Topo Maps.

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2.3. Construction material will not be located on lease.
- c. No construction materials will be removed from Federal land.
- d. Any gravel used will be obtained from a commercial source.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break or allow discharge.
- b. The reserve pit will be lined with 10 mil. Plastic liner. The pit area will be sufficiently bedded with either straw or felt prior to installing liner. The liner will overlap the pit walls and be covered with dirt or rocks to hold it in place. No trash, scrap pipe, etc. that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the AO.

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- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents hauled to an approved disposal facility.
 - d. A Hospital muffler will be installed on the pumping unit to reduce noise.
 - e. After first production, produced water will be confined to a pit or storage tank for a period not to exceed ninety (90) days. During this time, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with water analysis, will be submitted for the AO's approval.
 - f. Drill cuttings are to be contained and buried in the reserve pit.
 - g. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
 - h. A chemical portable-toilet will be furnished with the drilling rig.
8. **Ancillary Facilities**
- There are no airstrips, camps or other facilities currently planned during the drilling of this well.
9. **Well Site Layout**
- a. The operator or dirt contractor shall contact the BLM Office at (435) 781-4400, forty-eight (48) hours prior to construction activities.
 - b. The reserve pit will be located on the West of the location.

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- c. The flare pit will be located downwind of the prevailing wind direction on the Northwest side, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the East half of the location as shown on the Pit & Pad Layout. The topsoil pile for the reserve pit reclamation will be stored on the West of the reserve pit as shown on the Pit & Pad Layout. Topsoil along the access route will be windrowed on the uphill side.
- e. Access to the well pad will be from the Northeast as shown in the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad, cuts and fills.
- g. The location of mud tanks, reserve pit, trash cage, pipe racks and living facilities are also shown on the Location Layout.
- h. Brush and trees will not be an issue for this well pad.
- i. All pits will be fenced to the following minimum standards:
 - 1. 39 inch net wire shall be used with at least one strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
 - 2. The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height should be at least 42 inches.
 - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

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4. Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
 - j. The reserve pit fencing will be on three sides during the drilling operations and on the fourth side when the rig is moved off the location. Pits will be fenced and maintained until cleanup.
10. Plans for Restoration of Surface Producing Location
- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
 - b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
 - c. The plastic nylon reinforced liner shall be torn and perforated before backfilling the reserve pit.
 - d. The reserve pit and that portion of the location not needed for production facilities/operations will be contoured to approximate the original contours of the site.
 - e. Reclamation of unrequired areas on the well pad/access road no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the AO.

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- f. The seed mixture to be used for reclamation of the drill site if needed is as follows:

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	<i>Elymus elymoides</i>	4.0	¼ - ½"
Siberian Wheatgrass	<i>Agropyron fragile</i>	2.0	½"
Needle and Thread	<i>Stipa comata</i>	3.0	½"
Shadscale	<i>Atriplex confertifolia</i>	0.50	½"
Gardner's saltbush	<i>Atriplex gardneri</i>	0.50	½"
Bluebunch Wheatgrass	<i>Pseudoroegneria</i>	3.0	½"
	<i>Spicata</i>		
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	0.10	⅛ - ¼"

- g. Seeding will be performed with approval from AO. Generally seeding is performed in the Fall prior to permanent ground freezing. Seed will be drilled or broadcast and seed walked in with dozer according to our reclamation plan.

- h. The topsoil stockpile will be seeded with above determined seed mixture.

11. Dry Hole

- a. At such time as the well is plugged and abandoned, the operator shall submit a Subsequent Report of Abandonment and the AO will attach the appropriate surface rehabilitation conditions of approval.

12. Surface Ownership

Access Roads - All roads are county maintained or managed by the BLM.

Well pad - The well pad is located on lands managed by the BLM.

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Mineral Ownership

The minerals are owned by the Federal Government and have been leased by Rosewood Resources, Inc.

13. Other Information

- a. **A Class III archeological survey was conducted and is attached.**
- b. **A Paleontological reconnaissance survey was conducted and is attached.**
- c. **The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing and/or collecting artifacts from historic or archaeological sites. If historic or archeological materials are uncovered during construction, the operator is to immediately halt all operations and contact the AO. Within five working days the AO will inform the operator as to whether the materials appear eligible for the National Register of Historic Places;**
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and**
 - a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process. The AO will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that**

required mitigation has been completed, the operator will then be allowed to resume construction.

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- d. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides, pesticides or other potentially hazardous chemicals.
- e. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any time without BLM authorization.
- f. All lease and/or unit operations will be conducted in such a manner that full compliance with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations and any applicable Notice To Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of the approved APD shall be on location during construction and drilling activities.
- g. A complete copy of the APD shall be on location during construction of location and drilling activities.
- h. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices shall be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- i. "Sundry Notice and Report on Wells" (Form 3160-5) will be used to request plan changes and other operations in accordance with 43 CFR 3162.3-2.
- j. This permit will be valid for a period of two years from the date of approval. An extension period may be granted, if requested, prior to

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the expiration of the original approval. After permit termination, a new application will need to be filed for any future operations.

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- k. The operator or his contractor shall contact the BLM Offices at (435) 781-4400 48 hours prior to beginning construction activities.
- l. The BLM Office shall be notified upon site completion prior to moving in the drilling rig.
- m. In the event after-hours approval is necessary, please contact one of the following individuals:

Jamie Sparger

Michael Lee

BLM Fax Machine

BLM (435)781-4400

Petroleum Engineer (435)828-7875

(435)789-3634

14. Lessee's or Operator's Representatives

ROSEWOOD RESOURCES, INC.

P.O. Box 1668

72 North Vernal Avenue

Vernal, Utah 84078

435/789-0414

Permit Matters

Jill Henrie - 435-789-0414 (Office)

435-828-0717 (Mobile)

Drilling & Completion Matters

Dennis Atwood – 435-789-0414 (Office)

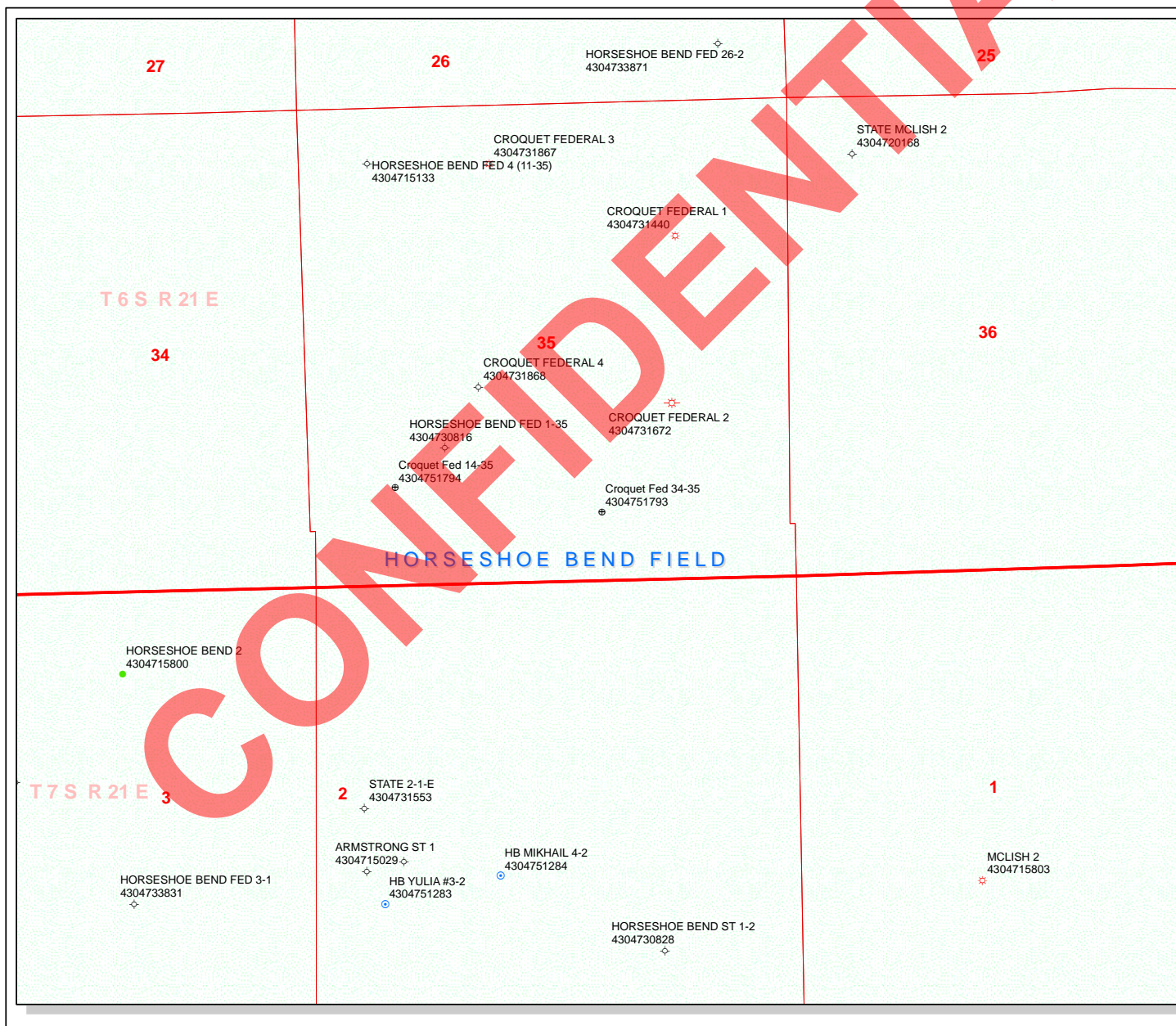
435-828-8943 (Mobile)

Environmental & Safety Matters

Alan Roachell - 214-756-6694 (Office)

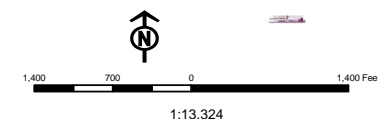
214-466-2993 (Mobile)

CONFIDENTIAL



API Number: 4304751793
Well Name: Croquet Fed 34-35
Township T0.6 . Range R2.1 . Section 35
Meridian: SLBM
Operator: ROSEWOOD RESOURCES INC
Map Prepared:
Map Produced by Diana Mason

Units	Wells Query
STATUS	Status
ACTIVE	APD - Approved Permit
EXPLORATORY	DRL - Spudded (Drilling Commenced)
GAS STORAGE	GIW - Gas Injection
NF PP OIL	GS - Gas Storage
NF SECONDARY	LA - Location Abandoned
PI OIL	LOC - New Location
PP GAS	OPS - Operation Suspended
PP GEOTHERMAL	PA - Plugged Abandoned
PP OIL	PGW - Producing Gas Well
SECONDARY	POW - Producing Oil Well
TERMINATED	RET - Returned APD
Fields	STATUS
Unknown	SGW - Shut-in Gas Well
ABANDONED	SOW - Shut-in Oil Well
ACTIVE	TA - Temp. Abandoned
COMBINED	TW - Test Well
INACTIVE	WDW - Water Disposal
STORAGE	WIW - Water Injection Well
TERMINATED	WSW - Water Supply Well
Sections	
Township	



WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/4/2011**API NO. ASSIGNED:** 43047517930000**WELL NAME:** Croquet Fed 34-35**OPERATOR:** ROSEWOOD RESOURCES INC (N7510)**PHONE NUMBER:** 435 789-0414**CONTACT:** Jill Henrie**PROPOSED LOCATION:** SWSE 35 060S 210E**Permit Tech Review:** ☒**SURFACE:** 0723 FSL 2055 FEL**Engineering Review:** ☐**BOTTOM:** 0723 FSL 2055 FEL**Geology Review:** ☒**COUNTY:** UINTAH**LATITUDE:** 40.25049**LONGITUDE:** -109.52028**UTM SURF EASTINGS:** 625852.00**NORTHINGS:** 4456399.00**FIELD NAME:** HORSESHOE BEND**LEASE TYPE:** 1 - Federal**LEASE NUMBER:** UTU-53862**PROPOSED PRODUCING FORMATION(S):** WASATCH**SURFACE OWNER:** 1 - Federal**COALBED METHANE:** NO**RECEIVED AND/OR REVIEWED:**

- ☒ **PLAT**
- ☒ **Bond:** FEDERAL - MT-0627
- ☐ **Potash**
- ☐ **Oil Shale 190-5**
- ☐ **Oil Shale 190-3**
- ☐ **Oil Shale 190-13**
- ☒ **Water Permit:** 49-2343
- ☐ **RDCC Review:**
- ☐ **Fee Surface Agreement**
- ☐ **Intent to Commingle**

Commingle Approved**LOCATION AND SITING:**

- ☐ **R649-2-3.**
- Unit:**
- ☐ **R649-3-2. General**
- ☐ **R649-3-3. Exception**
- ☒ **Drilling Unit**
- Board Cause No:** R649-3-2
- Effective Date:**
- Siting:**
- ☐ **R649-3-11. Directional Drill**

Comments: Presite Completed**Stipulations:** 4 - Federal Approval - dmason
23 - Spacing - dmason**RECEIVED:** August 09, 2011



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Croquet Fed 34-35
API Well Number: 43047517930000
Lease Number: UTU-53862
Surface Owner: FEDERAL
Approval Date: 8/9/2011

Issued to:

ROSEWOOD RESOURCES INC, PO Box 1668, Vernal , UT 84078

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-2. The expected producing formation or pool is the WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Notification Requirements:

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- Within 24 hours following the spudding of the well – contact Carol Daniels at 801-538-5284 (please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) – due within 5 days of spudding the well
- Monthly Status Report (Form 9) – due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) – due prior to implementation
- Written Notice of Emergency Changes (Form 9) – due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) – due prior to implementation
- Report of Water Encountered (Form 7) – due within 30 days after completion
- Well Completion Report (Form 8) – due within 30 days after completion or plugging

Approved By:

A handwritten signature in black ink, appearing to read "John Rogers", written over a horizontal line.

For John Rogers
Associate Director, Oil & Gas

RECEIVED

JUN 02 2011

FORM APPROVED
OMB No. 1004-0137
Expires July 31, 2010

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

BLM

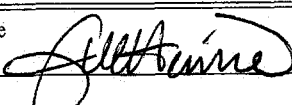
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. UTU-53862
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name
2. Name of Operator Rosewood Resources, Inc.		7. If Unit or CA Agreement, Name and No. CA-60948
3a. Address P.O. Box 1668 Vernal, UT 84078		8. Lease Name and Well No. Croquet Fed #34-35
3b. Phone No. (include area code) 435-789-0414		9. API Well No. 43-047-51793
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface 723' FSL 2055' FEL SEC 35 SWSE T6S R21E At proposed prod. zone same		10. Field and Pool, or Exploratory Horseshoe Bend
14. Distance in miles and direction from nearest town or post office* 17.9 miles South of Vernal, UT		11. Sec., T. R. M. or Blk. and Survey or Area SEC 35 SWSE T6S R21E SLB&M
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 723'	16. No. of acres in lease 635.15	17. Spacing Unit dedicated to this well 40
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1500'	19. Proposed Depth 8400'	20. BLM/BIA Bond No. on file Nationwide Bond MT-0627
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 4754' Ungraded Ground	22. Approximate date work will start* 01/01/2012	23. Estimated duration 13 Days


24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, must be attached to this form:

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the BLM. |

25. Signature 	Name (Printed/Typed) Jill Henrie	Date 05/31/2011
---------------------------------------------------------------------------------------------------	-------------------------------------	--------------------

Title
Administrative Assistant / RL

Approved by (Signature) 	Name (Printed/Typed) Jerry Kenczka	Date DEC 08 2011
Title Assistant Field Manager Lands & Mineral Resources	Office VERNAL FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

*(Instructions on page 2)

RECEIVED

DEC 21 2011

DIV. OF OIL, GAS & MINERAL

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

11/25/11 NOS

115X50209A

4206m

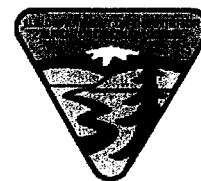


UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
VERNAL FIELD OFFICE

170 South 500 East

VERNAL, UT 84078

(435) 781-4400



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company: Rosewood Resources
Well No: Croquet Fed 34-35
API No: 43-047-51793

Location: SWSW, Sec. 14, T10S, R22E
Lease No: UTU-53862
Agreement: CA-60948

OFFICE NUMBER: (435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

**A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR
FIELD REPRESENTATIVE TO INSURE COMPLIANCE**

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings to: blm_ut_vn_opreport@blm.gov
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

***SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)***

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

Wildlife

- Construction and drilling is not allowed from March 1st – August 31st to minimize impacts during burrowing owl nesting.
- Construction and drilling is not allowed from March 1st – August 31st to minimize impacts during ferruginous hawk nesting.
- Construction and drilling is not allowed from November 1st – March 31st to minimize impacts during bald eagle nesting.
- If it is anticipated that construction or drilling will occur during the given timing restriction, a BLM or qualified biologist should be notified so surveys can be conducted. Depending upon the results of the surveys, permission to proceed may or may not be recommended or granted by the BLM Authorized Officer.
- Hospital mufflers will be installed on new and existing pump jacks at the host well locations.
- Screening will be placed on stacks and on other openings of heater-treaters or fired vessels to prevent entry by migratory birds.

Air Quality

- All internal combustion equipment will be kept in good working order.
- Water or other approved dust suppressants will be used at construction sites and along roads, as determined appropriate by the Authorized Officer.
- Open burning of garbage or refuse will not occur at well sites or other facilities.
- Low bleed pneumatics will be installed on separator dump valves and other controllers.
- During completion, flaring will be limited as much as possible. Production equipment and gathering lines will be installed as soon as possible.
- Well site telemetry will be utilized as feasible for production operations.

Reclamation

- Reclamation will be completed in accordance with the Green River District Guidelines of the Vernal Field Office of the BLM.
- Appropriate erosion control and revegetation measures will be employed. In areas with unstable soils where seeding alone may not adequately control erosion, grading will be used to minimize slopes and water bars will be installed on disturbed slopes. Erosion control efforts will be monitored by Rosewood and, if necessary, modifications will be made to control erosion.

Seed Mix (Interim and Final Reclamation)

Common name	Latin name	lbs/acre	Recommended seed planting depth
Squirreltail grass	<i>Elymus elymoides</i>	3.0	1/4 - 1/2"
Bluebunch wheatgrass	<i>Pseudoroegneria spicata</i>	3.0	1/2"
Shadscale saltbush	<i>Atriplex confertifolia</i>	3.0	1/2"
Four-wing saltbush	<i>Atriplex canescens</i>	3.0	1/2"
Gardner's saltbush	<i>Atriplex gardneri</i>	2.0	1/2"
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	1.0	1/8 - 1/4"

- All pounds are pure live seed.
- All seed and mulch will be certified weed free.
- Rates are set for drill seeding; double rate if broadcasting.

Monitoring and Reporting

- The operator shall submit a Sundry Notice (Form 3160-5) to the BLM Authorized Officer (AO) that designates the proposed site-specific monitoring and reference sites chosen for the location. A description of the proposed sites shall be included, as well as a map showing the locations of the proposed sites.
- The operator shall submit a Sundry Notice (Form 3160-5) to the BLM Authorized Officer (AO) 3 growing seasons after reclamation efforts have occurred evaluating the status of the reclaimed areas in order to determine whether the BLM standards set forth in the Green River District Reclamation Guidelines have been met (30% or greater basal cover).

**DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)**

SITE SPECIFIC DOWNHOLE COAs:

- Gamma-Ray log will be run from TD to Surface.
- CBL will be run from PBTD to TOC for the production casing.

Operator shall also comply with applicable laws and regulations; with lease terms, Onshore

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- **Cement baskets shall not be run on surface casing.**
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person

making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- **Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.**
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- For information regarding production reporting, contact the Office of Natural Resources Revenue (ONRR) at www.ONRR.gov.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - Well location ($\frac{1}{4}$ Sec., Twn, Rng, and P.M.).
 - Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - Unit agreement and/or participating area name and number, if applicable.
 - Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and

Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Vernal Field Office shall be obtained and notification given before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent

Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

September 5, 2012

Jill Henrie
Rosewood Resources Inc.
P.O. Box 1668
Vernal, UT 84078

Re: APD Rescinded – Croquet Fed 34-35, Sec. 35, T. 6S, R. 21E
Uintah County, Utah API No. 43-047-51793

Dear Ms. Henrie:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on August 9, 2011. On September 5, 2012, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 5, 2012.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

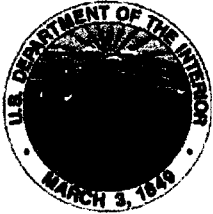
If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal



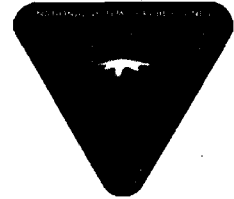


United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



APR 17 2015

IN REPLY REFER TO:
3160 (UTG011)

Jill Henrie
Rosewood Resources, Inc.
PO Box 1668
Vernal, UT

RECEIVED

MAY 04 2015

DIV. OF OIL, GAS & MINING

Re: Notice of Expiration
Well No. Croquet Fed 34-35
SWSE, Sec. 35, T6S, R21E
Uintah County, Utah
Lease No. UTU-53862

43 047 51793

Dear Ms. Henrie:

The Application for Permit to Drill (APD) for the above-referenced well was approved on December 8, 2011. No extension request was submitted, therefore the APD expired on December 8, 2013. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your co-operation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources

cc: UDOGM

bcc: Well File
I&E Asst.